



Compliance and Monitoring

ROLE	Ensure that the grantee’s CDBG-DR recovery programs comply with all Federal rules and recommend improvements that enhance programmatic efficiency, effectiveness, and documented results.
CRITICAL RESPONSIBILITIES	<ul style="list-style-type: none"> • Ensure ongoing compliance with Federal, State, and local regulations through the review of policies and procedures, applicant eligibility and award determinations, and program activity files. • Conduct regular self-monitoring and report results to Grants Management and Program Operations leaders. • Respond to external audit and HUD monitoring findings. • Identify and investigate potential fraud and refer cases, as appropriate, to the State Attorney General’s office or Federal Attorney’s office.

PRE-AWARD TASKS

1. **Regulatory understanding:** Coordinate with HUD staff to access start-up resources and understand basic compliance framework and monitoring process, including how CDBG-DR is similar to and different from CDBG.
2. **Initial function approach:** Reach out to other CDBG-DR grantees to understand how the monitoring function was organized and conducted. Consult with HUD on common monitoring findings and implementation issues and review HUD Monitoring Handbook for additional guidance on what program areas and topics HUD is likely to review during monitoring visits. Build these lessons into both the grantee’s chosen organizational structure and its program plans.

PLANNING/PROGRAM DESIGN TASKS

1. **Staffing:** In concert with the Grants Management staff and based on the chosen administrative model, determine level and types of monitoring staffing needs. Work with Human Resources to develop job descriptions and hiring requisitions and assign, interview, and hire these staff. The Compliance and Monitoring staff should be a distinct team working independently of staff involved in designing and carrying out programs. Grantees may have available internal auditing staff that can be assigned to this role.
2. **Compliance and monitoring procedures:** Work with the Policy and Planning team to develop and maintain detailed compliance and monitoring policies and procedures. At a minimum, ensure that the procedures cover: role and independence of the monitoring function; process for internal monitoring; timelines for monitoring; types of items reviewed during monitoring; and development, submission, and use of monitoring reports. If required by the CDBG-DR Federal Register notice, submit these procedures to HUD for approval.
3. **Program tools:** Create checklists and CDBG-DR requirement summaries to share with Program and Financial Management staff to assist them to comply. Develop checklists that will be used during self-monitoring and share those checklists with the staff charged with designing, implementing, and managing programs.



4. **Subrecipient tools:** Review all [subrecipient agreements](#) for completeness and inclusion of compliance clauses. Create file checklists for subrecipients to ensure appropriate program documentation is collected and preserved.
5. **Staff training:** Train all Compliance staff on the details of the CDBG-DR requirements and common monitoring issues, as well as effective monitoring techniques. Once these Monitoring staff are trained, deliver training to all other CDBG-DR recovery staff, other government agencies, and subrecipients covering compliance expectations and the internal monitoring approach.

OPERATIONS TASKS

1. **Annual compliance and monitoring plan:** At the beginning of each program year, develop and distribute the plan for self-monitoring during that year, including the timelines for program reviews. This plan should also address how the grantee intends to monitor contractors and subrecipients.
2. **Internal self-monitoring:** Conduct internal monitoring of all programs and functions including the work of all partner agencies (subrecipients, contractors, and other government agencies). Internal audits may consist of a combination of onsite monitoring and desk reviews. Use a risk-based approach to monitoring ensuring higher risk programs and partners are monitored more closely and frequently.
3. **Monitoring reports:** Prepare detailed reports from each self-monitoring activity, explaining what corrective actions are required. Meet with the applicable grantee staff to explain the issues and needed corrective actions. Submit summary reports to the Grants Management team. If trends emerge across programs or within a specific program over time, work with the Grants Management team to diagnose the issues and implement changes.
4. **On-call or ongoing quality assessments:** On an ongoing basis throughout the year, conduct quality assurance reviews of a selected sample of all program files where funds are disbursed to individuals and eligibility is determined. Conduct QA/QC of eligibility and award calculation decisions. Note that some grantees choose to have the Compliance staff review 100% of the determinations made by the Program Operations teams prior to allowing a beneficiary agreement to be signed. Along with the Policy and Planning team, be available to answer compliance questions as they arise during the Programs' application intake and review process.

REPORTING, COMPLIANCE, MONITORING AND CLOSEOUT TASKS

1. **QPR and other HUD reporting:** Work with Finance and Policy functions to develop forms and procedures for [QPR reporting](#). Assist to compile, write, and submit the reports.
2. **Recordkeeping:** Manage the overall recordkeeping process and share standards and checklists with all functional teams, including subrecipients, contractors/subcontractors, recipients, and units of local government. Major categories of records that should be kept include: administrative, financial, project/activity specific documents, national objective compliance, subrecipient and contractor information, and other Federal requirements. Retain all records for at least 3 years following grant closeout or longer if required by local, State, and Federal regulations.
3. **Financial audits:** Review the required annual financial audits to determine if any significant issues were identified. If yes, work with Financial Management and Grants Management to make procedure and program corrections as needed.



4. **HUD Monitoring:** Assist the Program and Finance staff to prepare for external monitoring including HUD on-site and remote reviews and OIG audits. When preparing for external assessments, utilize HUD CDBG-DR monitoring exhibits to help ensure that staff are ready for a detailed review.
5. **Fraud prevention:** Investigate allegations of potential fraud, identify cases that may involve potential fraud, and when appropriate refer those cases to State Attorney General's or Federal Attorney's office.
6. **Closeout procedures:** Develop closeout CDBG-DR process for program, beneficiaries, projects, and activities pursuant to CPD-14-02 and other relevant HUD guidance or Federal Register notices.